

Stock Index Performance

Index	Week	YTD	12-mo.	2010	5-yr.
Dow Jones Industrial Avg. (11,445)	-5.73%	0.26%	10.00%	14.06%	3.10%
S&P 500 (1,199)	-7.15%	-3.56%	8.66%	15.06%	0.83%
NASDAQ 100 (2,194)	-7.08%	-0.59%	16.15%	20.15%	8.55%
S&P 500 Growth	-6.86%	-1.10%	12.93%	15.09%	3.50%
S&P 500 Value	-7.47%	-6.10%	4.49%	15.13%	-1.89%
S&P MidCap 400 Growth	-10.40%	-3.89%	16.01%	30.65%	6.34%
S&P MidCap 400 Value	-10.46%	-8.44%	5.66%	22.80%	1.98%
S&P SmallCap 600 Growth	-9.65%	-3.03%	17.60%	28.43%	4.24%
S&P SmallCap 600 Value	-9.06%	-8.12%	8.49%	25.01%	1.13%
MSCI EAFE	-9.83%	-6.84%	2.62%	7.75%	-1.34%
MSCI World (ex US)	-9.39%	-7.23%	3.58%	11.15%	0.94%
MSCI World	-8.52%	-5.43%	5.74%	11.76%	-0.15%
MSCI Emerging Markets	-8.44%	-8.05%	5.33%	18.88%	8.82%

Source: Bloomberg. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 08/05/11.

S&P Sector Performance

Index	Week	YTD	12-mo.	2010	5-yr.
Consumer Discretionary	-8.13%	-1.86%	15.32%	27.85%	4.01%
Consumer Staples	-2.53%	3.63%	14.31%	14.12%	7.00%
Energy	-9.97%	0.98%	22.80%	20.46%	4.86%
Financials	-9.18%	-15.12%	-8.58%	12.18%	-14.51%
Health Care	-6.71%	2.18%	9.68%	2.90%	2.03%
Industrials	-8.30%	-7.85%	4.22%	26.74%	1.10%
Information Technology	-6.12%	-2.63%	9.87%	10.22%	6.59%
Materials	-9.50%	-9.22%	11.20%	22.34%	4.62%
Telecom Services	-2.90%	-1.96%	13.93%	18.97%	2.46%
Utilities	-3.72%	4.07%	7.84%	5.46%	2.73%

Source: Bloomberg. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 08/05/11.

Bond Index Performance

Index	Week	YTD	12-mo.	2010	5-yr.
U.S. Treasury: Intermediate	0.54%	4.21%	3.86%	5.29%	6.04%
GNMA 30 Year	0.38%	5.10%	5.21%	6.71%	7.06%
U.S. Aggregate	0.71%	5.09%	5.13%	6.54%	6.61%
U.S. Corporate High Yield	-1.91%	4.16%	10.27%	15.12%	8.80%
U.S. Corporate Investment Grade	0.84%	6.65%	7.68%	9.00%	7.33%
Municipal Bond: Long Bond (22+)	2.41%	9.85%	4.81%	1.12%	4.07%
Global Aggregate	-0.24%	6.28%	7.91%	5.55%	7.11%

Source: Barclays Capital. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 08/05/11.

Key Rates

As of 08/05/11			
Fed Funds	0.00-0.25%	5-yr CD	1.85%
LIBOR (1-month)	0.20%	2-yr T-Note	0.27%
CPI - Headline	3.60%	5-yr T-Note	1.24%
CPI - Core	1.60%	10-yr T-Note	2.55%
Money Market Accts.	0.58%	30-yr T-Bond	3.84%
Money Market Funds	0.01%	30-yr Mortgage	4.33%
6-mo CD	0.55%	Prime Rate	3.25%
1-yr CD	0.87%	Bond Buyer 40	5.02%

Sources: Bankrate.com, iMoneyNet.com and Bloomberg.

Market Indicators

As of 08/05/11	
TED Spread	26 bps
Investment Grade Spread (A2)	188 bps
ML High Yield Master II Index Spread	625 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 7/27/11

Estimated Flows to Long-Term Mutual Funds				
	Current Week		Previous	
Domestic Equity	-\$8.758	Billion	-\$6.529	Billion
Foreign Equity	-\$1.336	Billion	-\$311	Million
Taxable Bond	-\$67	Million	\$2.138	Billion
Municipal Bond	-\$147	Million	\$226	Million

Change in Money Market Fund Assets				
	Current Week		Previous	
Retail	\$11.41	Billion	\$0.42	Billion
Institutional	-\$77.25	Billion	-\$37.95	Billion

Source: Investment Company Institute

Factoids for the week of August 1st – 5th

Monday, August 1, 2011

Only three of the major sectors in the S&P 500 have had their constituents raise guidance this earnings season beyond their respective 10-year averages, according to Bespoke Investment Group. The top sector so far has been Industrials, with 13.8% of companies raising guidance, compared to an average of 8.9% over the past 10 years. The other two are Consumer Staples (9.7% vs. 7.3% avg.) and Consumer Discretionary (11.0% vs. 10.2% avg.).

Tuesday, August 2, 2011

In July, the dividend-payers (388) in the S&P 500 (equal weight) posted a total return of -5.22%, vs. -6.95% for the non-payers (112), according to Standard & Poor's. The S&P 500's standard cap weighted total return was -2.03%. Y-T-D, the payers were up 2.21%, vs. a loss of 0.11% for the non-payers. For the 12-month period ended July '11, payers were up 16.11%, vs. a gain of 14.44% for the non-payers. The number of dividend increases y-t-d totaled 209, up from 150 increases a year ago. Sixteen companies initiated dividends, up from 10 a year ago. Two dividends were cut, which matched the two cuts last year.

Wednesday, August 3, 2011

Commercial real estate loans remain a challenge for many small- to mid-sized banks despite efforts to extend/restructure loans to give property values time to rebound, according to REIT.com. In doing so, however, the amount of commercial real estate loans maturing in 2011 has essentially doubled from \$450 billion to approximately \$900 billion, according to Chris Macke, senior real estate strategist with CoStar Group. In July, the percentage of commercial mortgage-backed securities considered seriously delinquent (60 days or more past due) increased 39 basis points to 9.14%, according to Trepp LLC.

Thursday, August 4, 2011

A report issued annually by the U.S. Department of Agriculture revealed that a middle income family with a baby born in 2010 will spend an average of \$226,920 on the child until he or she is 17 years old, according to DailyFinance.com. That is a 22% increase from 1960, in dollars adjusted for inflation. A recent survey from BabyCenter.com found that 60% of those mothers surveyed are worried about having enough money to raise their children. There were 4.1 million children born in the U.S. in 2009.

Friday, August 5, 2011

Despite the fact that the S&P 500 closed yesterday's session at an eight-month low of 1,200.07, the average yearend estimate from the 13 Wall Street equity strategists surveyed by Bloomberg has not budged from last month's target of 1401. That would represent a gain of 16.75%. Forecasters believe the current climate of strong corporate earnings warrants a higher P/E multiple than today's 13.10 (trailing 12-mo.) and 11.99 (forward-looking). Strategists see S&P 500 earnings rising 18% in 2011 and 14% in 2012. More than 75% of the constituents in the index have exceeded their estimates this quarter.